

2008 GENERAL SESSION FISCAL NOTE WORKSHEET XI (Revised Jan. 2008)

Agency: UTAH STATE OFFICE OF EDUCATION Bill Number HB77S2

TITLE OF BILL: PERSONAL PROPERTY TAX AMENDMENTS by Senator Wayne L. Niederhouser

Requested by: Ben Leishman

Fax/Electronic Mail Transmittal To:

Office of the Legislative Fiscal Analyst
W310 State Capitol Complex
Salt Lake City, UT 84114-5310
538-1034 / Fax 538-1692

Name:	<u>Ben Leishman</u>
Date:	<u>February 5, 2008</u>
Fax Number:	

Please return to Fiscal Analyst by: February 5, 2008

This Bill Takes Effect: ☐ On passage ☐ On July 1 ☐ 60 Days after session ☒ Other January 1, 2009

Bill Carries Own Appropriation: ☐

FISCAL IMPACT OF PROPOSED LEGISLATION

FY 2008 Supp.	FY 2009	FY 2010
---------------	---------	---------

A. REVENUE IMPACT BY SOURCE OF FUNDS

1. General Fund			
2. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6 Local Funds			
7. TOTAL	\$ -	\$ -	\$ -

B. EXPENDITURE IMPACT:

By Source of Funds			
1. General Fund			
2. General Fund, One Time			
3. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6. Local Funds			
7. TOTAL	\$ -	\$ -	\$ -

By Expenditure Category			
1. Salaries, Wages and Benefits			
2. Travel			
3. Current Expenses			
4. D.P. Current Expenses			
5. Capital Outlay			
6. D.P. Capital Outlay			
7. Other (Specify)			
8. TOTAL	\$ -	\$ -	\$ -

C. IMPACT IN FUTURE YEARS?

If no fiscal impact in the first two years, indicate any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, or attachment, if necessary.)

<u>Cathy Dudley</u>	<u>MSP Budget and Property Tax Specialist - USOE</u>	<u>801.538.7667</u>	<u>February 7, 2008</u>
Prepared By	Title	Agency	Phone #
			Date

D. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase**E. Expenditure Impact Details (Ties to totals in Section C)**

List and document methodology and/or assumptions used in determining need for workload and cost increase.

List number, type, and step ranges of personnel required, including benefits.

List details of other impacted expenditure categories as shown in Section C.

List additional space requirements and cost associated with requirements of this bill.

(USE ATTACHMENTS IF NECESSARY.)

By eliminating the wording "eliminates the certified mailing requirement for a county assessor when the county assessor notifies a personal property taxpayer that the personal property taxpayer's signed statement is past due;" could result in increased costs to protect trust lands actions

F. No Fiscal Impact or Will Not Require Additional Appropriations?

Specify why this bill will have no fiscal impact on your agency or institution.

Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations.

(USE ATTACHMENTS IF NECESSARY.)

G. If Bill Carries Its Own Appropriation:

Indicate if the amount appropriated is adequate to meet the purposes of the bill.

Are there future additional costs anticipated beyond the appropriation in the bill?

H. Impact on Local Governments, Businesses, Associations, and Individuals

Specify requirements in the bill that drive the impact on local governments.

Indicate costs or savings that are ***DIRECT and MEASURABLE***. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)

Local Governments: *This bill could create a shift from personal property to centrally assessed.*

Businesses and Associations:

Individuals:

Narrative Description of the bill:

This bill defines new growth as the difference between the increase in taxable value of the following property of the taxing entity from the previous calendar year to the current year:

- real property assessed by a county assessor in accordance with part 3, County Assessment; and*
- property assessed by the commission under Section 59-2-201; plus*
- the difference between the increase in taxable year end value of personal property of the taxing entity from the year prior to the previous calendar year to the previous calendar year; minus*
- the amount of an increase in taxable value (the amount of increase to locally assessed real property taxable values resulting from factoring, reappraisal, or any other adjustments; or the amount of an increase in the taxable value of property assessed by the commission under Section 59-1-201 resulting from a change in the method of apportioning the taxable value prescribed the Legislature, a court, or the commission).*

This bill requires the Tax Commission to develop a depreciation schedule for short life expenses personal property and defines expensed personal property that has an acquisition cost of \$1,000 or less and a person elects to have assessed.

This bill also amends the formula for the calculation of the certified tax rate. The tax commission shall now use the taxable value of real property assessed by a county assessor contained on the assessment roll, the taxable value of real and personal property assessed by the commission and the taxable year end value of

personal property assessed by a county assessor contained on the prior year's assessment role.

In Section 59-2-924 the statement is added that for calendar years beginning on or after January 1, 2009, the value of taxable property does not include the value of personal property that is within the taxing entity assessed by a county assessor.

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.